

for the expedited consideration of SBA's proposal by the U.S. House and Senate and takes steps to ensure that a small sellers' exemption will ultimately be approved by Congress. States would be allowed to require impacted remote sellers to collect sales taxes only after federally mandated simplification is accomplished and a small business exemption is approved by Congress.

All of the other parts of my bill are identical to those included in Senator ENZI's bill. These provisions also deserve our immediate attention. There are over 7,000 tax jurisdictions across the country that rely on sales taxes to fund a range of local activities, from education and fire suppression to police protection and road construction. But billions of dollars in needed sales tax revenues go uncollected year after year in many jurisdictions due to a ruling by the U.S. Supreme Court in 1992 that said current State and local sales tax systems impose an undue burden on sellers without a physical presence in each State.

Internet and catalog sellers have argued that collecting and remitting sales taxes for thousands of different tax authorities is exceedingly complex. This is a legitimate complaint. And I understand why the U.S. Supreme Court in its Quill decision said that States and localities could not require sellers to collect sales tax on remote sales until the States and localities have first dramatically reduced the complexity and burden of collecting sales taxes.

The States and localities have stepped up to the challenge outlined in the Quill decision. For five years now, the States have been working with the retail community and local governments to develop a streamlined and uniform sales tax system agreement that will alleviate the burden of sales tax collection on local retailers and remote sellers.

The Streamlined Sales and Use Tax Agreement, which was approved by 34 States and the District of Columbia in November 2002, requires participating States to comply with dozens of stringent simplification requirements that streamline how State sales and use taxes are identified and collected. By early next year, 19 States will have enacted legislation to bring them into compliance with the Agreement and will be members of its Governing Board.

By harmonizing their State sales and use tax rules, bringing uniformity to definitions in the sales tax base, significantly reducing the paperwork burden on retailers, and incorporating a seamless electronic reporting process, compliance with the Agreement will result in a significantly reduced tax collection burden on all sellers.

As the volume of remote on-line retail sales grow, states are losing more and more sales tax revenues. An estimated \$15 billion in sales and use taxes will go uncollected in 2005. This threat-

ens the future ability of states and localities to make critical investments in even the most basic community services, while forcing local retailers who are required to collect sales taxes today to compete with large remote competitors who are not. Senator ENZI and I are determined to address this problem.

I think that the legislation I am introducing today strikes a reasonable balance between the interests of consumers, local retailers, remote sellers and the states. Having said that, I will be working with Senator ENZI early in the next session to see if we can put together a single approach that would address any remaining concerns about the small business exemption and help us move this legislative effort forward in the next session.

We will also have an opportunity to more fully examine some issues raised by the representatives of local governments and some Indian tribes about the impact of our initiative on their constituencies.

By Mr. KERRY (for himself and Mr. ISAKSON):

S. 2155. A bill to provide meaningful civil remedies for victims of the sexual exploitation of children; to the Committee on the Judiciary.

Mr. KERRY. Mr. President, today Senator ISAKSON and I introduce legislation to increase civil penalties for child exploitation. Our legislation is a small piece of a larger battle that we believe will stop would-be child predators and protect our children. Predators like the ones who exploited Masha, a little girl who was featured on Prime Time Live a few weeks ago, and the thousands of other children who are victims of these horrific crimes.

According to the National Center for Missing and Exploited Children, child pornography has become a multi-billion dollar internet business. With the increasingly sophisticated technology of digital media, child pornography has become easier to produce and purchase. Countless people around the world have instant access to pictures and videos posted on the Internet and, unfortunately, millions of these images are pornographic depictions of infants and children. Masha is one of these children, whose images—hundreds of them—are on the Internet and being downloaded around the world. And while the man who sexually abused Masha and posted the pictures on the web is in jail, the damage has been done and will continue until people stop downloading pictures of her off the internet.

Under current law, a victim of child exploitation is entitled to civil statutory damages in U.S. District Court in the amount of \$50,000—less than the civil penalty for illegally downloading music off the internet. This penalty is far too low to effectively deter would-be child pornographers. This legislation increases the civil penalties recoverable by victims of child sexual ex-

ploitation, including internet child pornography, to at least \$150,000. This increased penalty will serve as a deterrent to those who disseminate and possess child pornography, as well as a means of compensating victims of this terrible abuse. If someone downloads a song off the Internet, Federal copyright law provides for statutory damages to be awarded to the copyright holder in the amount of \$150,000. Downloading child pornography is far more detrimental to the victim than downloading copyrighted music and, as a result, the penalty should reflect that.

But it is not only the statutory damages that are flawed. The current statute states that "Any minor who is a victim of a violation [of the act] may sue in United States District Court". This language has been interpreted literally by a Federal district court to restrict recovery to plaintiffs whose injuries occurred while they were minors. Thus, when victims turn 18 they cannot recover against their perpetrators even if pornographic images of them as children are still distributed via the internet. Our legislation would clarify the statute to include victims of child pornography who are injured as adults by the downloading of their pornographic images.

This bill takes an important step towards ensuring justice for victims of child exploitation. I would urge speedy passage of this legislation as a stand alone bill or encourage its inclusion in a larger child protection package. It is the very least Congress can do for Masha and the thousands of children like her who have suffered at the hands of these criminals. I thank Senator ISAKSON for his co-sponsorship, and I look forward to working with him and all my colleagues to see that it passes the Senate.

PRIVILEGES OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Dr. Marlene Watson and Dr. Gordon Day, fellows in the office of Senator ROCKEFELLER, be granted the privilege of the floor during the Senate's proceedings today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I ask unanimous consent the following Senate Committee on Finance interns and fellows be granted floor privileges during the consideration of the conference report to accompany S. 1932, the Deficit Reduction Act: Melissa Atkinson, Brad Behan, and Amber Mackenzie.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDING DR. DOUGLAS HOLTZ-EAKIN

Mr. FRIST. Mr. President, I ask unanimous consent the Senate now proceed to the consideration of S. Res. 341, which was submitted earlier today. I ask the resolution be read.